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SYSTEM OF CONSULTATIONS

Consultations held in 1991 and plan for technical cooperation follow-up activities

Report by the Director-General

Summary

Submits for examination and approval of the Board the conclusions and recommendations of three Consultations held in 1991 on the capital goods industry with emphasis on machine tools; the building materials industry; and the fisheries industry for Asia and the Pacific island countries. A plan of action for technical cooperation activities as follow-up to the three Consultations is provided in the annex.

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Introduction

1. The present document is submitted to the Board in accordance with resolution GC.3/Res.2 adopted by the General Conference at its third session, and specifically paragraph 7 which requested the Director-General to present to the Board the conclusions and recommendations of each Consultation for examination and approval together with a plan of technical cooperation follow-up activities for guidance.

I. CONSULTATIONS HELD IN 1991

2. The four Consultations held in 1991 included the Second Consultation on the Wood and Wood Products Industry originally scheduled for December 1990, which took place from 21 to 25 January 1991. The report of that Consultation, which was held in Vienna, Austria, is contained in document ID/374, and its conclusions and recommendations were submitted to the Board at its eighth session in document IDB.8/21.

3. A brief summary is given below of the three Consultations held since the eighth session of the Board in July 1991.

Fourth Consultation on the Capital Goods Industry with Emphasis on Machine Tools

4. The report of the Consultation, which was held at Prague, Czechoslovakia, from 16 to 20 September 1991, is contained in document ID/378. The recommendations of the Consultation concerning policies to encourage the flow of technologies and reduction of restrictions on importation of machine tools were addressed to Governments as well as to the relevant international organizations. Human resource development was a key concern and the Consultation recommended the establishment and strengthening of national training centres and machine tool R and D centres with special emphasis on advanced technology. The Consultation called for assistance to be given to small- and medium-scale engineering firms to develop new technologies and improve environmental control and monitoring. The preparation of guidelines for total quality control systems was also among the key recommendations.

Second Consultation on the Building Materials Industry

5. The report of the Consultation, which was held at Athens, Greece, from 4 to 8 November 1991, is contained in document ID/380. The Consultation

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addressed policy-related issues as well as those related to technology transfer, development and promotion. In the area of policy, the Consultation agreed on an operational strategy for the development of the low-cost building materials sector, which included the creation of a favourable policy environment, institutional support and promotion of cooperation among developing countries. The review of existing standards and the formulation of appropriate ones were suggested to encourage the production and utilization of locally-manufactured building materials. Production systems through energy-saving methods were also to be encouraged. In addition, the Consultation agreed on the transfer of technological packages, including engineering design, training and maintenance. The United Nations Centre for Human Settlements (Habitat), UNIDO and other relevant international organizations will cooperate in implementing the plan of action resulting from the recommendations of the Consultation.

Regional Consultation on the Fisheries Industry for Asia and the Pacific Island Countries

6. The report of the Consultation, which was held in Vienna, Austria, from 2 to 6 December 1991, is contained in document ID/379. The Consultation focused on how to increase value-added in the fisheries industry in Asia and the Pacific island countries. The encouragement and promotion of collection and utilization of by-catch was seen as one measure to increase the overall production of fish products. Financial institutions were encouraged to increase their support to the industry, particularly for the development of value-added production. It was agreed that greater resources needed to be allocated to training. The strengthening of quality control systems including training and information on market requirements was a key recommendation. As follow-up to the Consultation, it was recommended that UNIDO organize a workshop on the prevailing standards in the European Community, Japan, and the North American markets, particularly to suggest ways of conforming to the standards of those markets.

II. PLAN OF ACTION FOR TECHNICAL COOPERATION ACTIVITIES

7. The UNIDO Advisory Committees for each of the three Consultations mentioned above have elaborated a plan of follow-up action identifying main and supporting responsibilities for the implementation of the recommendations. The plan, which appears in tabular form as an annex to the present document indicates the in-house responsibilities as well as those organizational units in the Secretariat which are to exercise lead responsibilities. It provides the context whereby UNIDO could enhance its technical and promotional activities on the basis of the conclusions and recommendations of the three Consultations.

III. ACTION REQUIRED OF THE BOARD

8. The Board is invited to examine and approve the conclusions and recommendations of the Consultations held during 1991 which are contained in documents ID/378, ID/379 and ID/380, and to provide guidance on the plan of follow-up action contained in the annex to the present document.

Annex

PLAN OF FOLLOW-UP ACTION

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Explanatory note

The main features of the recommendations as they appear in the reports of the Consultations (documents ID/378, ID/380 and ID/379) have been summarized briefly in the left column of the tables. The main organizations responsible for the follow-up of the recommendations have been listed under the column "Main responsibility". Those organizations having a supporting role in technical cooperation have also been indicated. In the last column, entitled "In-house responsibility", the units in the UNIDO Secretariat having main responsibility for initiation of activities have been designated. It is to be understood that the proposed programmes and projects would be carried out subject to availability of funds and, in the case of technical cooperation, receipt of an official request of the Government.

Abbreviations

ADB	African Development Bank
AGRO	Agro-based Industries Branch
AREA	Area Programmes Division
AsDB	Asian Development Bank
CONSULT	System of Consultations Division
COOP	Industrial Cooperation and Management Services Branch
EC	European Community
ECDC	Section for Economic Cooperation among Developing Countries
ENG	Engineering Industries Branch
ENV	Environment Coordination Unit
EPL	Department of External Relations, Public Information, Language and Documentation Services
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
Habitat	United Nations Centre for Human Settlements
IaDB	Inter-American Development Bank
ICFM	Industrial Cooperation and Funds Mobilization Division
IHRD	Industrial Human Resource Development Branch
II	Industrial Investment Division
IIS	Industrial Institutions and Services Division
ILO	International Labour Organisation
INFR	Institutional Infrastructure Branch
IO	Department of Industrial Operations
IO/T	Industrial Operations Technology Division
IPCT	Department for Industrial Promotion, Consultations and Technology
IPP	Industrial Policy and Perspectives Division
IsDB	Islamic Development Bank
ISO	International Standards Organization
ITC	International Trade Centre UNCTAD/GATT
LI	Unit for Light Industries Sector
OS	Industrial Operations Support Division
PPD	Department for Programme and Project Development
PLAN	Industrial Planning Branch
PRC	Project Review Committee Secretariat and Funds Administration Section
R and D	Research and development
REG	Regional and Country Studies Branch
REL	External Relations Division
SMA	Special Measures and Activities Division
TD	Industrial Technology Development Division
TP	Industrial Technology Promotion Division
TP/INF	Industrial and Technological Information Section
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization

PLAN OF FOLLOW-UP ACTION

Table 1*

FOURTH CONSULTATION ON THE CAPITAL GOODS INDUSTRY WITH EMPHASIS ON MACHINE TOOLS
(Prague, Czechoslovakia, 16-20 September 1991)

ISSUE: Conditions of entry and measures to promote competitive local production and utilization of machine tools

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main features	Addressed to	Action required	In-house responsibility
(a) Studies and monitoring of trends in the machine-tool sector in developed and developing countries to provide policy guidelines for effective use and production of machine tools	UNIDO	Preparation of policy guidelines for the sector	Lead unit: PPD/IPP Support units: IPCT/CONSULT and IO/IIS/PLAN
(b) Adoption of policies that encourage flow of machine tool technologies while compensating local producers through supportive measures including preferential public procurement policies	Governments	Analysis of appropriate packages for local producers and liberalization of imports	Lead units: PPD/IPP and PPD/AREA Support units: EPL/REL and IO/IIS/PLAN
(c) Removal of undue restrictions on importation of machine tools from developing to industrialized countries	Governments of industrialized countries, UNCTAD, ITC, GATT	Review of trade barriers in the machine tool industry and formulation of proposals for their removal	Lead units: PPD/IPP and IPCT/CONSULT Support unit: EPL/REL
(d) Development of standards and specifications to facilitate exchange of components and equipment at the regional level	National and regional standards organizations, ISO	Review, preparation and promotion of standards and specifications at national and regional levels	Lead units: IO/IIS/INFR and PPD/AREA
(e) Adoption of legislative and fiscal measures to introduce non-traditional financing mechanisms, especially leasing, inter alia, through establishment of national financing companies	Governments, financing institutions	Preparation of guidelines for legislative and fiscal measures required for non-traditional financing	Lead unit: IPCT/II Support units: IO/IIS/PLAN and PPD/IPP

* The present plan of follow-up action should be considered in conjunction with the report of the Consultation (document ID/378). It should be noted that the Advisory Committee on the Capital Goods Industry is the mechanism responsible for monitoring the implementation of the plan of follow-up action. Follow-up activities are mostly oriented towards technical cooperation and policy advice.

Table 1 (continued)

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main features	Addressed to	Action required	In-house responsibility
(f) Increased technical cooperation activities in the establishment of non-traditional financing	International organizations and financing institutions such as the World Bank and regional Development Banks	Identification of needs and delivery of technical cooperation in establishing and operating non-traditional financing firms in developing countries	Lead units: PPD/AREA and PPD/IPP Support units: IO/IIS/INFR and IPCT/II
(g) Establishment/strengthening of national training centres/institutes with special emphasis on advanced machine tools using simulators, computer-aided instructions, etc. and promotion of regional cooperation among such centres	UNIDO and other international organizations, e.g. UNESCO	Assessment of status of existing training centres/institutes and needs for their strengthening, and establishment of new centres	Lead units: IO/T/ENG and IO/OS/IHRD Support units: PPD/AREA and PPD/IPP
(h) Assistance to machine tool manufacturers in promoting total quality control systems	UNIDO	Preparation of guidelines on total quality control practices in machine tools production and dissemination to manufacturers in developing countries	Lead units: IO/IIS/INFR and IPCT/CONSULT Support unit: IO/T/ENG
(i) Promoting the establishment of machine tools research and development centres/institutes to introduce modern machine tools and their accessories in developing countries and their proper utilization	UNIDO and other international organizations	Assessment of needs and preparation of technical cooperation proposals for establishing R and D centres/institutes for modern machine-tool technologies	Lead units: IO/T/ENG in co-operation with IPCT/TD Support units: IO/IIS/INFR and PPD/AREA
(j) Assistance to small- and medium-scale engineering firms in developing countries in development of new technologies for improvement of environmental control and monitoring	UNIDO and firms in industrialized countries	Preparation of a report on the state-of-the-art of new technologies for improvement of environmental control and monitoring in small- and medium-sized engineering industries	Lead units: PPD/SMA/ENV and IPCT/TD Support units: IO/T/ENG and IO/IIS/INFR
(k) Promotion of new forms of international cooperation such as the UNIDO regional programme for industrial automation of the capital goods sector in Latin America	UNIDO	Preparation of proposals for regional cooperation in the capital goods industry for Africa and Asia	Lead units: IPCT/CONSULT and PPD/AREA Support units: IO/IIS/PLAN and PPD/IPP

Table 2*

SECOND CONSULTATION ON THE BUILDING MATERIALS INDUSTRY
(Athens, Greece, 4-8 November 1991)

ISSUE 1: Strategies and policies for the development of the building materials industry in developing countries

RECOMMENDATIONS	FOLLOW-UP ACTIVITIES			
Main features	Addressed to	Action required	In-house responsibility	
(a) Policy initiatives regarding national housing sector and the building materials industry as integrated part of socio-techno-economic development	Governments, UNIDO, Habitat and other international organizations	Preparation of policy guidelines on basis of existing conditions and establishment of priorities for discussion at country or regional level	Lead unit: Support units: and	IPCT/CONSULT IO/IIS/PLAN PPD/IPP PPD/AREA IPCT/TD
(b) Assessment of country needs for housing and related demand for building materials and identification of required types of building materials	Governments of developing countries, UNIDO, Habitat	Survey and analysis of local market and production capacity	Lead units: and Support unit:	IO/T PPD/AREA IPCT/CONSULT
(c) Review of financial resource allocation and loan policies for sustained development of the building materials industry	Governments, financing institutions, Habitat	Identification and selection of priorities of subsectors to be promoted	Lead unit: Support units: and	IPCT/II IO/IIS/PLAN PPD/AREA PPD/IPP
(d) Promotion of investment through fiscal incentives, tariff reforms, foreign trade liberalization	Governments of industrialized and developing countries, UNCTAD, GATT, ITC	Review of trade restrictions; formulation of proposals to remove obstacles, encourage investment policy	Lead units: and Support unit:	PPD/IPP IPCT/II IPCT/CONSULT
(e) Promotional programmes to establish confidence and widen acceptance among professional and end-users, including contractors, of local and traditional building materials in public and private construction projects	Governments, UNIDO, Habitat, UNESCO and other international organizations	Demonstration programmes including seminars and workshops for professionals and end-users	Lead units: and Support unit:	IO/T PPD/AREA IPCT/CONSULT
(f) Setting up support mechanism for coordinating the role of all actors involved in development, production, distribution and application of building materials, and linkage with R and D institutions	Governments, producers, technical centres, contractors, universities, R and D institutions	Establishment of priorities and modalities for coherent development and production of building materials	Lead units: and Support units: and	IPCT/CONSULT IO/T PPD/AREA IPCT/TD

* The present plan of follow-up action should be considered in conjunction with the report of the Consultation (document ID/380). It should be noted that the Advisory Committee on Building Materials is the mechanism responsible for monitoring the implementation of the plan of follow-up action. Follow-up activities are mostly oriented towards technical cooperation and policy advice.

Table 2 (continued)

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main features	Addressed to	Action required	In-house responsibility
(g) Technical cooperation to reorganize and revitalize building materials industries in newly created market-oriented systems from centrally-planned economies	Governments, UNIDO, ILO, international financing institutions, e.g. World Bank, and other international organizations	Identification of areas for assistance, e.g. management, technology and energy savings in production, engineering, investment, know-how	Lead units: IO/T and IPCT/II Support unit: IPCT/TD
(h) Operational strategy for the development of the low-cost building materials sector	UNIDO, Habitat and other international organizations	Creation of policy environment, institutional support and cooperation among developing countries	Lead units: IO/T and IPCT/CONSULT Support unit: PPD/AREA
ISSUE 2: Measures to strengthen the low-cost building materials industry in developing countries			
(a) Transfer of technological packages to include adequate provision for training, engineering, know-how, maintenance and subsequent technical back-up support	UNIDO, Habitat and other international organizations	Identification of appropriate technology adaptation and assistance in training	Lead unit: IO/T Support units: IO/OS/IHRD and IPCT/TD
(b) Pilot demonstration project to optimize use and cost-effective production of building materials and components and to train entrepreneurs, artisans, supervisors	UNIDO	Identification of country for setting up regional network of demonstration and training centres	Lead units: IO/T and IO/OS/IHRD Support units: PPD/AREA and IO/T
(c) Reinforcing capabilities of R and D and specialized centres; inventory and analysis of raw materials to ensure viability of production and utilization; disseminating information	Governments, Habitat, regional professional centres and other international organizations	National survey of resources for building materials	Lead units: IO/T and PPD/AREA Support unit: IPCT/CONSULT
(d) Formulation of appropriate standards and technical specifications to encourage production and utilization of locally manufactured building materials including low-cost materials	National and regional standards organizations, ISO	Review of existing and formulation of appropriate standards to widen production and use of local building materials	Lead units: IO/T and IO/IIS Support unit: PPD/AREA

Table 3*

REGIONAL CONSULTATION ON THE FISHERIES INDUSTRY FOR ASIA AND THE PACIFIC ISLAND COUNTRIES
(Vienna, Austria, 2-6 December 1991)

ISSUE: Measures to increase the production and marketing of value-added fish products in Asia and the Pacific island countries

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main features	Addressed to	Action required	In-house responsibility
(a) More resources allocated to training; stronger link with industry.	Governments, UNIDO, ILO, FAO	Assistance/advice on request; training programmes to be formulated with advice from industry	Lead unit: PPD/AREA Support units: IO/OS/IHRD, IO/T/AGRO, PPD/IPP/REG
(b) Regional approach to training for value-added subsector	Governments, regional organizations, UNIDO, ILO, FAO	Assistance/advice on request; develop curriculum to be adopted on regional basis	Lead unit: IO/OS/IHRD Support unit: IO/T/AGRO
(c) Encouragement and promotion of collection and utilization of by-catch as well as of value-added fish processing	Governments, UNIDO, FAO	Assistance/advice on request; dissemination of information available on process/technologies	Lead unit: IPCT/TP/INF Support unit: IO/T/AGRO
(d) More services by financial institutions to support fisheries industry financing	Financial institutions, Governments	Setting up appropriate infrastructure within national banks	Lead unit: IO/IIS/PLAN
(e) Promotion of new forms of international industrial cooperation and of technical cooperation programmes; distribution channels for domestic markets to be improved	International organizations, Governments	Expansion of cooperation with international organizations such as OECD, ACP, ITC, Commonwealth Secretariat	Lead unit: IPCT/CONSULT/LI Support unit: IO/T/AGRO
(f) Strengthening quality control systems through provision of expertise, training and advice	Donor Governments, companies, UNIDO, FAO	Cooperation through specialized training programmes	Lead unit: IO/T/AGRO Support units: IO/OS/IHRD, PPF/AREA/AP
(g) Transfer and development of appropriate technologies, provision of training in maintenance and operations	Industrial partners, technology suppliers, UNIDO, FAO, ILO	Cooperation through specialized training programmes	Lead unit: IO/T/AGRO Support unit: IO/OS/IHRD

* The present plan of follow-up action should be considered in conjunction with the report of the Consultation (document ID/379). It should be noted that the Advisory Committee on Fisheries is the mechanism responsible for monitoring the implementation of the plan of follow-up action. Follow-up activities are mostly oriented towards technical cooperation and policy advice.

Table 3 (continued)

RECOMMENDATIONS		FOLLOW-UP ACTIVITIES	
Main features	Addressed to	Action required	In-house responsibility
(h) Encouragement of ECDC supported by industrial organizations.	Governments, industries, UNIDO, FAO	Provision of assistance/advice on request	Lead unit: PPD/AREA/ECDC Support unit: IPCT/CONSULT/LI
(i) Mobilization of financial resources for technical cooperation	UNIDO	Promotion of follow-up programmes vis-à-vis donor countries	Lead units: PPD/ICFM/PRC, PPD/ICFM/COOP
(j) Implementation and standardization of training in the region	UNIDO, FAO, UNESCO, World Bank, AsDB in cooperation with Asian Fishery Society	Preparation of terms of reference for regional, standardized training programme in value-added fish processing	Lead units: IO/T/AGRO, IO/OS/IHRD
(k) Better information on fish marketing studies and assistance to improve export marketing	FAO, ITC and other international organizations	Assistance in disseminating information, sensitize ITC/UNCTAD for cooperation	Lead unit: IPCT/CONSULT/LI Support unit: Regional advisers
(l) Organization of a workshop on import standards in EC, North America and Japan	UNIDO	Organization of first workshop for July 1992	Lead unit: IPCT/CONSULT/LI Support unit: PPD/IPP/REG
(m) Foster participation in future Consultation meetings of countries having major fishery industries	Governments, industry	Bring to attention of Governments and industry need for continuity	Lead unit: IPCT/CONSULT/LI